



General Assembly

**Substitute Bill No. 5096**

February Session, 2006

\* \_\_\_\_\_HB05096LM\_\_\_\_\_041906\_\_\_\_\_\*

**AN ACT CONCERNING ACCOUNTABILITY IN STATE ECONOMIC  
DEVELOPMENT ASSISTANCE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-11a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) There is hereby created as a body politic and corporate,  
4 constituting a public instrumentality and political subdivision of the  
5 state created for the performance of an essential public and  
6 governmental function, the Connecticut Development Authority  
7 which is empowered to carry out the purposes of the authority, as  
8 defined in subsection (t) of section 32-23d, which are hereby  
9 determined to be public purposes for which public funds may be  
10 expended. The Connecticut Development Authority shall not be  
11 construed to be a department, institution or agency of the state.

12 (b) All notes, bonds or other obligations issued by the Connecticut  
13 Development Commission for the financing of any project or projects  
14 shall be in accordance with their terms of full force and effect and valid  
15 and binding upon the authority as the successor to the Connecticut  
16 Development Commission and with respect to any resolution,  
17 contract, deed, trust agreement, mortgage, conditional sale or loan  
18 agreement, commitment, obligation or liability or other such  
19 document, public record, right, remedy, special act or public act,  
20 obligation, liability or responsibility pertaining thereto, the authority

21 shall be, and shall be deemed to be, the successor to the Connecticut  
22 Development Commission. All properties, rights in land, buildings  
23 and equipment and any funds, moneys, revenues and receipts or  
24 assets of such commission pledged or otherwise securing any such  
25 notes, bonds or other obligations shall belong to the authority as  
26 successor to the Connecticut Development Commission, subject to  
27 such pledges and other security arrangements and to agreements with  
28 the holders of the outstanding notes, bonds or other obligations. Any  
29 resolution with respect to the issuance of bonds of the commission for  
30 the purposes of the act and any other action taken by the commission  
31 with respect to assisting in the financing of any project shall be, or shall  
32 be deemed to be, a resolution of the authority or an action taken by the  
33 authority subject only to any agreements with the holders of  
34 outstanding notes, bonds or other obligations of the commission.

35 (c) The board of directors of the authority shall consist of the  
36 Commissioner of Economic and Community Development, the State  
37 Treasurer and the Secretary of the Office of Policy and Management,  
38 each serving ex officio, four members appointed by the Governor who  
39 shall be experienced in the field of financial lending or the  
40 development of commerce, trade and business and four members  
41 appointed as follows: One by the president pro tempore of the Senate,  
42 one by the minority leader of the Senate, one by the speaker of the  
43 House of Representatives and one by the minority leader of the House  
44 of Representatives. Each ex-officio member may designate a deputy or  
45 any member of the agency staff to represent the member at meetings of  
46 the authority with full powers to act and vote on the member's behalf.  
47 The chairperson of the board shall be appointed by the Governor, with  
48 the advice and consent of both houses of the General Assembly. The  
49 board shall annually elect one of its members as vice chairperson. Each  
50 member appointed by the Governor shall serve at the pleasure of the  
51 Governor but no longer than the term of office of the Governor or until  
52 the member's successor is appointed and qualified, whichever is  
53 longer. Each member appointed by a member of the General Assembly  
54 shall serve in accordance with the provisions of section 4-1a. Members

55 shall receive no compensation but shall be reimbursed for necessary  
56 expenses incurred in the performance of their duties under the  
57 authority legislation, as defined in subsection (hh) of section 32-23d.  
58 The Governor shall fill any vacancy for the unexpired term of a  
59 member appointed by the Governor. The appropriate legislative  
60 appointing authority shall fill any vacancy for the unexpired term of a  
61 member appointed by such authority. A member of the board shall be  
62 eligible for reappointment. Any member of the board may be removed  
63 by the Governor for misfeasance, malfeasance or wilful neglect of  
64 duty. Each member of the authority before entering upon his or her  
65 duties shall take and subscribe the oath or affirmation required by  
66 article XI, section 1, of the State Constitution. A record of each such  
67 oath shall be filed in the office of the Secretary of the State. Meetings of  
68 the board shall be held at such times as shall be specified in the bylaws  
69 adopted by the board and at such other time or times as the  
70 chairperson deems necessary. The board is empowered to adopt  
71 bylaws and regulations for putting into effect the provisions of said  
72 chapters and sections. Not later than November first, annually, the  
73 authority shall submit a report to the Commissioner of Economic and  
74 Community Development, the Auditors of Public Accounts and the  
75 joint standing committees of the General Assembly having cognizance  
76 of matters relating to the Department of Economic and Community  
77 Development, appropriations and capital bonding, which shall include  
78 the following information with respect to new and outstanding  
79 financial assistance provided by the authority during the twelve-  
80 month period ending on June thirtieth next preceding the date of the  
81 report for each financial assistance program administered by the  
82 authority: (1) A list of the names, addresses and locations of all  
83 recipients of such assistance, (2) for each recipient: (A) The business  
84 activities, (B) the Standard Industrial Classification Manual codes, (C)  
85 the gross revenues during the recipient's most recent fiscal year, (D)  
86 the number of employees at the time of application, (E) whether the  
87 recipient is a minority or woman-owned business, (F) a summary of  
88 the terms and conditions for the assistance, including the type and  
89 amount of state financial assistance, job creation or retention

90 requirements, and anticipated wage rates, and (G) the amount of  
91 investments from private and other nonstate sources that have been  
92 leveraged by the assistance, (3) the economic benefit criteria used in  
93 determining which applications have been approved or disapproved,  
94 and (4) for each recipient of assistance on or after July 1, 1991, a  
95 comparison between the number of jobs to be created, the number of  
96 jobs to be retained and the average wage rates for each such category  
97 of jobs, as projected in the recipient's application, versus the actual  
98 number of jobs created, the actual number of jobs retained and the  
99 average wage rates for each such category. The report shall also  
100 indicate the actual number of full-time jobs and the actual number of  
101 part-time jobs in each such category and the benefit levels for each  
102 such subcategory. In addition, the report shall state (A) for each final  
103 application approved during the twelve-month period covered by the  
104 report, (i) the date that the final application was received by the  
105 authority, and (ii) the date of such approval; (B) for each final  
106 application withdrawn during the twelve-month period covered by  
107 the report, (i) the municipality in which the applicant is located, (ii) the  
108 Standard Industrial Classification Manual code for the applicant, (iii)  
109 the date that the final application was received by the authority, and  
110 (iv) the date of such withdrawal; (C) for each final application  
111 disapproved during the twelve-month period covered by the report, (i)  
112 the municipality in which the applicant is located, (ii) the Standard  
113 Industrial Classification Manual code for the applicant, (iii) the date  
114 that the final application was received by the authority, and (iv) the  
115 date of such disapproval; and (D) for each final application on which  
116 no action has been taken by the applicant or the agency in the twelve-  
117 month period covered by the report and for which no report has been  
118 submitted under this subsection, (i) the municipality in which the  
119 applicant is located, (ii) the Standard Industrial Classification Manual  
120 code for the applicant, and (iii) the date that the final application was  
121 received by the authority. The November first report shall include a  
122 summary of the activities of the authority, including all activities to  
123 assist small businesses and minority business enterprises, as defined in  
124 section 4a-60g, a complete operating and financial statement and

125 recommendations for legislation to promote the purposes of the  
126 authority. The authority shall furnish such additional reports upon the  
127 written request of any such committee at such times and containing  
128 such information as the committee may request. The accounts of the  
129 authority shall be subject to annual audit by the state Auditors of  
130 Public Accounts. The authority may cause an audit of its books and  
131 accounts to be made at least once each fiscal year by certified public  
132 accountants. The powers of the authority shall be vested in and  
133 exercised by not less than six of the members of the board of directors  
134 then in office. Such number of members shall constitute a quorum and  
135 the affirmative vote of a majority of the members present at a meeting  
136 of the board shall be necessary for any action taken by the authority.  
137 No vacancy in the membership of the board shall impair the right to  
138 exercise all the rights and perform all the duties of the authority. Any  
139 action taken by the board under the provisions of said chapters and  
140 sections may be authorized by resolution at any regular or special  
141 meeting, and each such resolution shall take effect immediately and  
142 need not be published or posted. The authority shall be exempt from  
143 the provisions of section 4-9a, as amended.

144 (d) The board of directors of the authority may delegate to three or  
145 more of its members such board powers and duties as it may deem  
146 proper. At least one of such members shall not be a state employee.

147 (e) The board of directors of the authority shall adopt written  
148 procedures, in accordance with the provisions of section 1-121, for: (1)  
149 Adopting an annual budget and plan of operations, including a  
150 requirement of board approval before the budget or plan may take  
151 effect; (2) hiring, dismissing, promoting and compensating employees  
152 of the authority, including an affirmative action policy and a  
153 requirement of board approval before a position may be created or a  
154 vacancy filled; (3) acquiring real and personal property and personal  
155 services, including a requirement of board approval for any  
156 nonbudgeted expenditure in excess of five thousand dollars; (4)  
157 contracting for financial, legal, bond underwriting and other  
158 professional services, including a requirement that the authority solicit

159 proposals at least once every three years for each such service which it  
160 uses; (5) issuing and retiring bonds, bond anticipation notes and other  
161 obligations of the authority; (6) awarding loans, grants and other  
162 financial assistance, including (A) eligibility criteria, (B) the application  
163 process and the role played by the authority's staff and board of  
164 directors, [and including] (C) deadlines for the approval or  
165 disapproval of applications for such assistance by the authority on and  
166 after July 1, 1996, and (D) requiring the board of directors to approve  
167 any determination that an outstanding loan is not expected to be  
168 repaid; and (7) the use of surplus funds to the extent authorized under  
169 this chapter or other provisions of the general statutes.

170 (f) The board of directors of the authority shall appoint an executive  
171 director who shall not be a member of the board and who shall serve at  
172 the pleasure of the board and receive such compensation as shall be  
173 fixed by the board. The executive director may but need not be the  
174 deputy appointed under section 32-1d. He shall be the chief  
175 administrative officer of the authority and shall direct and supervise  
176 administrative affairs and technical activities in accordance with the  
177 directives of the board. He shall perform such other duties as may be  
178 directed by the board in carrying out the purposes of said chapters and  
179 sections. The executive director shall be exempt from the classified  
180 service. The executive director shall attend all meetings of the board,  
181 keep a record of the proceedings of the board and shall maintain and  
182 be custodian of all books, documents and papers filed with the  
183 authority and of the minute book or journal of the authority and of its  
184 official seal. He may cause copies to be made of all minutes and other  
185 records and documents of the authority and may give certificates  
186 under the official seal of the authority to the effect that such copies are  
187 true copies, and all persons dealing with the authority may rely upon  
188 such certificates.

189 (g) Each member of the board of directors of the authority shall  
190 execute a surety bond in the penal sum of fifty thousand dollars, or, in  
191 lieu thereof, the chairman of the board shall execute a blanket position  
192 bond covering each member and the executive director and the

193 employees of the authority, each surety bond to be conditioned upon  
194 the faithful performance of the duties of the office or offices covered, to  
195 be executed by a surety company authorized to transact business in  
196 this state as surety and to be approved by the Attorney General and  
197 filed in the office of the Secretary of the State. The cost of each such  
198 bond shall be paid by the authority.

199 (h) Notwithstanding any provision of the law, [to the contrary,] it  
200 shall not constitute a conflict of interest for a trustee, director, partner,  
201 officer, stockholder, proprietor, counsel or employee of any person, or  
202 for any other individual having a financial interest in any person, to  
203 serve as a member of the board of directors of the authority; provided  
204 such trustee, director, partner, officer, stockholder, proprietor, counsel,  
205 employee or individual shall (1) file with the authority a record of his  
206 capacity with or interest in such person and abstain and absent himself  
207 from any deliberation, action and vote by the board in specific respect  
208 to such person; (2) take no affirmative action to advance the interests of  
209 such person before the authority, including through contact on behalf  
210 of such person with authority staff or other members of the board of  
211 directors of the authority; (3) conform in all respects with all otherwise  
212 applicable laws concerning the conduct of such trustee, director,  
213 partner, officer, stockholder, proprietor, counsel, employee or  
214 individual as a member of the board of directors; and (4) not acquire a  
215 financial interest in any person whose application was approved for a  
216 period of three years after such approval.

217 (i) The authority shall continue, as long as it shall have bonds or  
218 other obligations outstanding and until its existence is terminated by  
219 law. Upon the termination of the existence of the authority, all its  
220 rights and properties shall pass to and be vested in the state of  
221 Connecticut.

222 (j) Neither members of the board of directors of the authority nor  
223 any person executing the notes and bonds shall be liable personally on  
224 the notes or bonds or be subject to any personal liability or  
225 accountability by reason of the issuance thereof.

226 (k) Repealed by P.A. 00-136, S. 9.

227 (l) (1) The authority may establish one or more subsidiaries to  
228 stimulate, encourage and carry out the remediation, development and  
229 financing of contaminated property within this state, in coordination  
230 with the Department of Environmental Protection, and to provide  
231 financial, development and environmental expertise to others  
232 including, but not limited to, municipalities, interested in or  
233 undertaking such remediation, development or financing which are  
234 determined to be public purposes for which public funds may be  
235 expended. Each subsidiary shall be deemed a quasi-public agency for  
236 purposes of chapter 12. The authority may transfer to any such  
237 subsidiary any moneys and real or personal property. Each such  
238 subsidiary shall have all the privileges, immunities, tax exemptions  
239 and other exemptions of the authority.

240 (2) Each such subsidiary may sue and shall be subject to suit  
241 provided the liability of each such subsidiary shall be limited solely to  
242 the assets, revenues and resources of such subsidiary and without  
243 recourse to the general funds, revenues, resources or any other assets  
244 of the authority or any other subsidiary. No such subsidiary may  
245 provide for any bonded indebtedness of the state for the cost of any  
246 liability or contingent liability for the remediation of contaminated real  
247 property unless such indebtedness is specifically authorized by an act  
248 of the General Assembly. Each such subsidiary shall have the power to  
249 do all acts and things necessary or convenient to carry out the  
250 purposes of this subsection, section 12-81r, as amended, subsection (h)  
251 of section 22a-133m, subsection (a) of section 22a-133x, sections 22a-  
252 133aa, 22a-133bb and 22a-133dd, subsection (l) of section 22a-134, and  
253 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, including,  
254 but not limited to, (i) solicit, receive and accept aid, grants or  
255 contributions from any source of money, property or labor or other  
256 things of value, to be held, used and applied to carry out the purposes  
257 of this subsection, section 12-81r, as amended, subsection (h) of section  
258 22a-133m, subsection (a) of section 22a-133x, sections 22a-133aa, 22a-  
259 133bb and 22a-133dd, subsection (l) of section 22a-134, and sections



260 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, subject to the  
261 conditions upon which such grants and contributions may be made,  
262 including but not limited to, gifts, grants or loans, from any  
263 department, agency or quasi-public agency of the United States or the  
264 state; (ii) enter into agreements with persons upon such terms and  
265 conditions as are consistent with the purposes of such subsidiary to  
266 acquire or facilitate the remediation, development or financing of  
267 contaminated real or personal property; (iii) to acquire, take title, lease,  
268 purchase, own, manage, hold and dispose of real and personal  
269 property and lease, convey or deal in or enter into agreements with  
270 respect to such property; (iv) examine, inspect, rehabilitate, remediate  
271 or improve real or personal property or engage others to do so on such  
272 subsidiary's behalf, or enter into contracts therefor; (v) mortgage,  
273 convey or dispose of its assets and pledge its revenues in order to  
274 secure any borrowing, for the purpose of financing, refinancing,  
275 rehabilitating, remediating, improving or developing its assets,  
276 provided each such borrowing or mortgage shall be a special  
277 obligation of such subsidiary, which obligation may be in the form of  
278 notes, bonds, bond anticipation notes and other obligations issued by  
279 or to such subsidiary to the extent permitted under this chapter to fund  
280 and refund the same and provide for the rights of the holders thereof,  
281 and to secure the same by pledge of revenues, notes or other assets and  
282 which shall be payable solely from the assets, revenues and other  
283 resources of such subsidiary; (vi) to create real estate investment trusts  
284 or similar entities or to become a member of a limited liability  
285 company or to become a partner in limited or general partnerships or  
286 establish other contractual arrangements with private and public  
287 sector entities as such subsidiary deems necessary to remediate,  
288 develop or finance environmentally contaminated property in the  
289 state; and (vii) any other powers enumerated in subsection (e) of  
290 section 32-23 necessary or appropriate to carry out the purposes of this  
291 subsection, subsection (h) of section 22a-133m, subsection (a) of section  
292 22a-133x, sections 22a-133aa, 22a-133bb and 22a-133dd, subsection (l)  
293 of section 22a-134, and sections 22a-452f, 32-7e, and 32-23pp to 32-23rr,  
294 inclusive. The board of directors, executive director, officers and staff

295 of the authority may serve as members of any advisory or other board  
296 which may be established to carry out the purposes of this subsection,  
297 subsection (h) of section 22a-133m, subsection (a) of section 22a-133x,  
298 sections 22a-133aa, 22a-133bb and 22a-133dd, subsection (l) of section  
299 22a-134, and sections 22a-452f, 32-7e, and 32-23pp to 32-23rr, inclusive.

300 (3) Each such subsidiary shall act through its board of directors at  
301 least one-half of which shall be members of the board of directors of  
302 the authority or their designees or officers or employees of the  
303 authority. A resolution of the authority shall prescribe the purposes for  
304 which each such subsidiary is formed.

305 (4) The provisions of section 1-125 and this subsection shall apply to  
306 any officer, director, designee, or employee appointed as a member,  
307 director, or officer of any such subsidiary. Neither any such persons so  
308 appointed nor the directors, officers or employees of the authority  
309 shall be personally liable for the debts, obligations, or liabilities of any  
310 such subsidiary as provided in said section 1-125. Each subsidiary shall  
311 and the authority may provide for the indemnification to protect, save  
312 harmless and indemnify such officer, director, designee or employee as  
313 provided by said section 1-125.

314 (5) The authority or any such subsidiary may take such actions as  
315 are necessary to comply with the provisions of the Internal Revenue  
316 Code of 1986 or any subsequent corresponding internal revenue code  
317 of the United States, as from time to time amended, to qualify and  
318 maintain any such subsidiary as a corporation exempt from taxation  
319 under said Internal Revenue Code.

320 (6) The authority may make loans or grants to, and may guarantee  
321 specified obligations of, any such subsidiary, following standard  
322 authority procedures, from the authority's assets and the proceeds of  
323 its bonds, notes, and other obligations, provided however, that the  
324 source and security, if any, for the repayment of any such loans or  
325 guarantees is derived from the assets, revenues and resources of such  
326 subsidiary.

327 (7) Notwithstanding any other provisions of law, the Commissioner  
328 of Environmental Protection shall issue to the authority or any  
329 subsidiary a covenant not to sue, pursuant to section 22a-133aa or  
330 section 22a-133bb, as applicable, without fee, as otherwise required in  
331 subsection (c) of said section 22a-133aa for the remediation of a facility  
332 in accordance with an approved remediation plan.

333 (m) The authority and any subsidiary of the authority shall review  
334 each application for a loan, grant or other economic assistance in  
335 accordance with the criteria for such loan, grant or other economic  
336 assistance established in procedures adopted pursuant to subdivision  
337 (6) of subsection (e) of this section. The authority or subsidiary shall  
338 keep a written record of any review and decision approving or  
339 rejecting an application. Such review and decision shall not be a public  
340 record, as defined in section 1-200, unless approved.

341 (n) Not later than November first, annually, the authority and any  
342 subsidiary of the authority shall submit a report to the Commissioner  
343 of Economic and Community Development, the Auditors of Public  
344 Accounts and the joint standing committees of the General Assembly  
345 having cognizance of matters relating to economic and community  
346 development, appropriations and capital bonding, which shall include  
347 the following information with respect to new and outstanding  
348 financial assistance provided by the authority or its subsidiaries during  
349 the twelve-month period ending on June thirtieth next preceding the  
350 date of the report for each financial assistance program administered  
351 by the authority: (1) A list of the names, addresses and locations of all  
352 recipients of such assistance; (2) for each such recipient: (A) The  
353 business activities, (B) the Standard Industrial Classification Manual  
354 codes, (C) the gross revenues during the recipient's most recent fiscal  
355 year, (D) the number of employees at the time of application, (E)  
356 whether the recipient is a minority or woman-owned business, (F) a  
357 summary of the terms and conditions for the assistance, including the  
358 type and amount of state financial assistance, job creation or retention  
359 requirements, and anticipated wage rates, and (G) the amount of  
360 investments from private and other nonstate sources that have been

361 leveraged by the assistance; (3) the economic benefit criteria used in  
362 determining which applications have been approved or disapproved;  
363 and (4) for each recipient of assistance on or after July 1, 1991, a  
364 comparison between the number of jobs to be created, the number of  
365 jobs to be retained and the average wage rates for each such category  
366 of jobs, as projected in the recipient's application, versus the actual  
367 number of jobs created, the actual number of jobs retained and the  
368 average wage rates for each such category. The report shall also  
369 indicate the actual number of full-time jobs and the actual number of  
370 part-time jobs in each such category and the benefit levels for each  
371 such subcategory. The report shall include a summary of the activities  
372 of the authority and its subsidiaries, including all activities to assist  
373 small businesses and minority business enterprises, as defined in  
374 section 4a-60g, a complete operating and financial statement and  
375 recommendations for legislation to promote the purposes of the  
376 authority and its subsidiaries. The authority and its subsidiaries shall  
377 furnish such additional information upon the written request of any  
378 such joint standing committee.

379       Sec. 2. Section 32-35 of the general statutes is repealed and the  
380 following is substituted in lieu thereof (*Effective October 1, 2006*):

381       (a) There is hereby created a body politic and corporate to be known  
382 as "Connecticut Innovations, Incorporated". Such corporation is  
383 constituted a public instrumentality and political subdivision of the  
384 state and the exercise by the corporation of the powers conferred in  
385 this chapter shall be deemed and held to be the performance of an  
386 essential public and governmental function. Connecticut Innovations,  
387 Incorporated shall not be construed to be a department, institution or  
388 agency of the state.

389       (b) The corporation shall be governed by a board of fifteen directors.  
390 Eight members shall be appointed by the Governor, at least six of  
391 whom shall be knowledgeable, and have favorable reputations for  
392 skill, knowledge and experience, in the development of innovative  
393 technology and technological processes including, but not limited to,

394 expertise in academic research, technology transfer and application,  
395 the development of technological invention and new enterprise  
396 development. Three members shall be the Commissioner of Economic  
397 and Community Development, the Commissioner of Higher Education  
398 and the Secretary of the Office of Policy and Management, who shall  
399 serve ex officio and shall have all of the powers and privileges of a  
400 member of the board of directors. Each ex-officio member may  
401 designate his deputy or any member of his staff to represent him at  
402 meetings of the corporation with full power to act and vote in his  
403 behalf. Four members shall be appointed as follows: One by the  
404 president pro tempore of the Senate, one by the minority leader of the  
405 Senate, one by the speaker of the House of Representatives and one by  
406 the minority leader of the House of Representatives. Each member  
407 appointed by the Governor shall serve at the pleasure of the Governor  
408 but no longer than the term of office of the Governor or until the  
409 member's successor is appointed and qualified, whichever is longer.  
410 Each member appointed by a member of the General Assembly shall  
411 serve in accordance with the provisions of section 4-1a. A director shall  
412 be eligible for reappointment. The Governor shall fill any vacancy for  
413 the unexpired term of a member appointed by the Governor. The  
414 appropriate legislative appointing authority shall fill any vacancy for  
415 the unexpired term of a member appointed by such authority.

416 (c) The chairperson of the board shall be appointed by the  
417 Governor, with the advice and consent of both houses of the General  
418 Assembly. The directors shall annually elect one of their number as  
419 secretary. The board may elect such other officers of the board as it  
420 deems proper. Members shall receive no compensation for the  
421 performance of their duties hereunder but shall be reimbursed for  
422 necessary expenses incurred in the performance thereof.

423 (d) Each director of the corporation before entering upon his duties  
424 shall take and subscribe the oath or affirmation required by article  
425 eleventh, section 1, of the Constitution. A record of each such oath or  
426 affirmation shall be filed in the office of the Secretary of the State. The  
427 board of directors of the corporation shall adopt written procedures, in

428 accordance with the provisions of section 1-121, for: (1) Adopting an  
429 annual budget and plan of operations, including a requirement of  
430 board approval before the budget or plan may take effect; (2) hiring,  
431 dismissing, promoting and compensating employees of the  
432 corporation including an affirmative action policy and a requirement  
433 of board approval before a position may be created or a vacancy filled;  
434 (3) purchasing, leasing or acquiring real and personal property and  
435 personal services, including a requirement of board approval for any  
436 nonbudgeted expenditure in excess of five thousand dollars; (4)  
437 contracting for financial, legal, bond underwriting and other  
438 professional services, including a requirement that the corporation  
439 solicit proposals at least once every three years for each such service  
440 which it uses; (5) awarding loans, grants and other financial assistance,  
441 including (A) eligibility criteria, (B) the application process, [and] (C)  
442 the role played by the corporation's staff and board of directors and  
443 the Department of Economic and Community Development and  
444 including deadlines for the approval or disapproval of applications for  
445 such assistance by the corporation on and after July 1, 1996, and (D)  
446 requiring the board of directors to approve any determination that an  
447 outstanding loan is not expected to be repaid; and (6) the use of  
448 surplus funds to the extent authorized under this chapter, or other  
449 provisions of the general statutes.

450 (e) Notwithstanding the provisions of any other law, [to the  
451 contrary,] it shall not constitute a conflict of interest for a trustee,  
452 director, partner or officer of any person, firm or corporation, or any  
453 individual having a financial interest in a person, firm or corporation,  
454 to serve as a member of the board of directors of Connecticut  
455 Innovations, Incorporated, provided such trustee, director, partner,  
456 officer or individual shall (1) abstain from deliberation, action or vote  
457 by Connecticut Innovations, Incorporated in specific respect to such  
458 person, firm or corporation, (2) take no affirmative action to advance  
459 the interests of such person before the corporation, including through  
460 contact on behalf of such person with the corporation, staff or other  
461 members of the board of directors of the corporation, (3) conform in all

462 respects with all otherwise applicable laws concerning the conduct of  
463 such trustee, director, partner, officer, stockholder, proprietor, counsel,  
464 employee or individual as a member of the board of directors, and (4)  
465 not acquire a financial interest in any person whose application was  
466 approved for a period of three years after such approval.

(f) The corporation shall have the authority to contract with the Department of Economic and Community Development for administrative or other services.

(g) As of October 1, 1989, all powers, duties and personnel of the Connecticut Product Development Corporation shall be transferred to Connecticut Innovations, Incorporated, in accordance with the provisions of section 4-38d. As of October 1, 1989, all cash, notes, receivables, liabilities, appropriations, authorizations, allocations, and all other assets and properties of the Connecticut Product Development Corporation shall be transferred to Connecticut Innovations, Incorporated. Such transfer shall not affect the validity, enforceability or binding nature of any contract or agreement for financial aid made by the Connecticut Product Development Corporation under the authorization of this chapter prior to October 1, 1989.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	32-11a
Sec. 2	<i>October 1, 2006</i>	32-35

**CE**      *Joint Favorable Subst. C/R*

GAE

**GAE**      *Joint Favorable*

LM Joint Favorable